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October 26, 2017

VIA ELECTRONIC FILING

The Honorable Leonard P. Stark
United States District Court
844 North King Street
Wilmington, DE 19801

Re: *ConocoPhillips Petrozuata B.V., et al. v.*
Petróleos de Venezuela S.A., et al., C.A. No. 16-904-LPS

ConocoPhillips Petrozuata B.V., et al. v.
Petróleos de Venezuela S.A., et al., C.A. No. 17-28-LPS

Dear Chief Judge Stark:

I write with the consent of all parties in response to the Court's September 14, 2017 order requesting a joint status report in *ConocoPhillips Petrozuata B.V., et al. v. Petróleos de Venezuela S.A., et al.*, C.A. No. 16-904-LPS and *ConocoPhillips Petrozuata B.V., et al. v. Petróleos de Venezuela S.A., et al.*, C.A. No. 17-28-LPS after expiration of the 90 day stay of these actions. On December 5, 2016, Defendants PDV Holding, Inc. ("PDVH"), CITGO Holding, Inc., and CITGO Petroleum Corporation moved to stay the actions pending resolution of the appeal in the related case, *Crystallex International Corp. v. Petróleos de Venezuela, S.A.*, 213 F. Supp. 3d 683, Civ. A. No. 15-1082-LPS (D. Del. Sept. 30, 2016). On July 18, 2017, the Court granted a 90-day stay (until October 18, 2017) or until the Third Circuit Court of Appeals issues its ruling on PDVH's interlocutory appeal in *Crystallex*, whichever is earlier. The parties have conferred and set forth a brief status report, followed by their respective positions on next steps in these actions below.

On June 15, 2017, the parties completed briefing in the *Crystallex* appeal. The Third Circuit Court of Appeals heard oral argument on September 12, 2017, and the matter is now *sub judice*.

Plaintiffs' Position: On July 18, 2017, this Court denied the pending motions to dismiss without prejudice in the above-captioned cases and granted Plaintiffs leave to amend the complaints. Plaintiffs believe that further delay is unnecessary and that an additional stay would

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be unwarranted for the reasons set forth in its memoranda of law dated February 3, 2017 in C.A. No. 17-28-LPS and December 19, 2016 in C.A. No. 16-904-LPS.

Defendants' Position: Defendants believe the stay should be continued until resolution of the appeal. A decision from the Third Circuit is imminent, as briefing and oral argument have been completed. Moreover, on August 24, 2017, President Trump signed Executive Order No. 13808, entitled "Imposing Additional Sanctions with Respect to the Situation in Venezuela," which, *inter alia*, prohibits PDV Holding or any other entity owned or controlled by Venezuela, either "directly or indirectly" from making "dividend payments or other distributions of profits" from within the United States "to the Government of Venezuela," which is defined to include PDVSA. 82 Fed. Reg. 41,155 (Aug. 24, 2017).

Defendants believe that continuing the stay until the Third Circuit rules is appropriate for all the reasons set forth in the CITGO Defendants' briefing on the Motions to Stay in C.A. No. 16-904-LPS (ECF Nos. 11, 16) and C.A. No. 17-28-LPS (ECF Nos. 8, 14), respectively, including that the stay will promote judicial efficiency because the Third Circuit decision is likely to resolve issues pending in the above-captioned cases, including which claims are properly in issue.

Respectfully,

/s/ Kenneth J. Nachbar

Kenneth J. Nachbar (#2067)

cc: All Counsel of Record